Investor Presentation

Teknosa İç ve Dış Ticaret A.Ş.

3Q19 Results

«Turkey's Leading Electronics Retailer»

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Agenda

- Results at a Glance
- Financial Overview
- Year-end Guidance

Main messages

Teknosa continued to deliver top-line growth in 3Q19

- Positive LfL consumer growth and overall basket size were the key drivers of %12,8 YoY top-line growth in 3Q19

Strong operational performance supported by efficiency measures undertaken in opex management

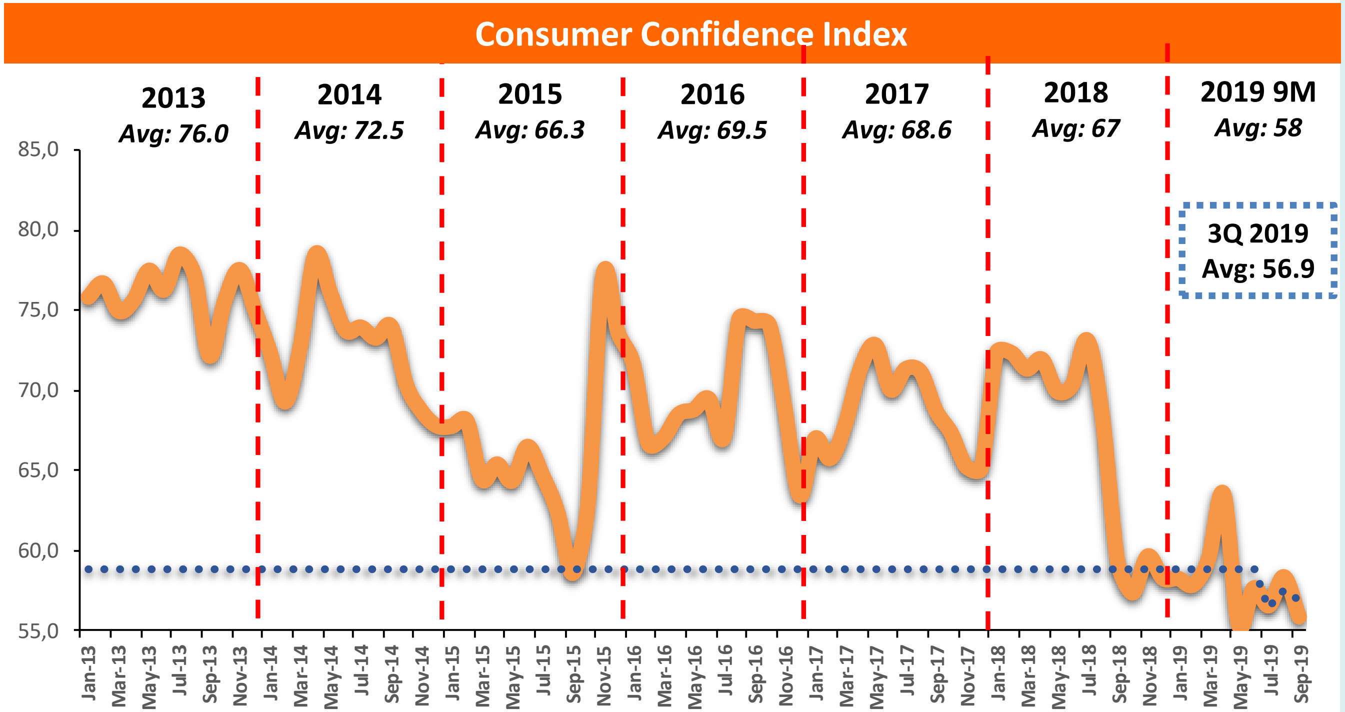
- Revenue increase supported EBITDA, reached to 83M TL
- EBITDA margin incerased 1,8 bps to %8,0 in 3Q19

Transformation program was ongoing in 3Q19

- Program initiatives positively contributed to efficiency and profitability in 3Q19.
- Teknosa will continue to focus on enhancing customer experience and bottom-line performance while also improving stock management

Consumer Confidence Index

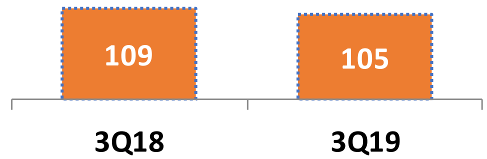
- Consumer confidence index improved on a monthly basis in August and rose to 58,3, up %3,1 compared to previous month. But it dropped to four-month low 55.8 in September, which shows that consumers still have a pessimistic outlook on the economy.



Source: TUIK

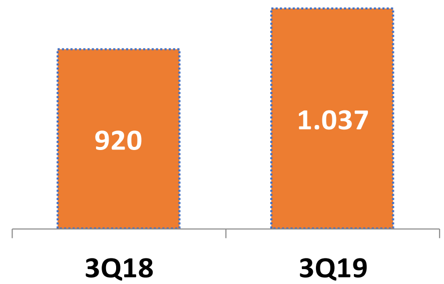
3Q19 Results

Net Sales Area ('000 m²)



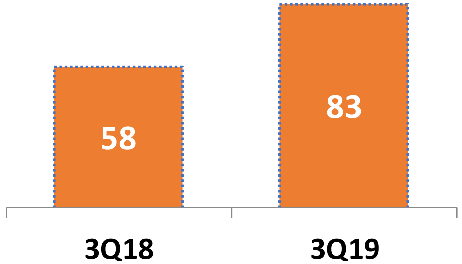
- **4 K sqm YoY change in sales area, as a result of operational efficiency review**

Net Sales (TL mn)



- **Net sales increased by 12,8 % YoY in 3Q19.**

EBITDA (TL mn)

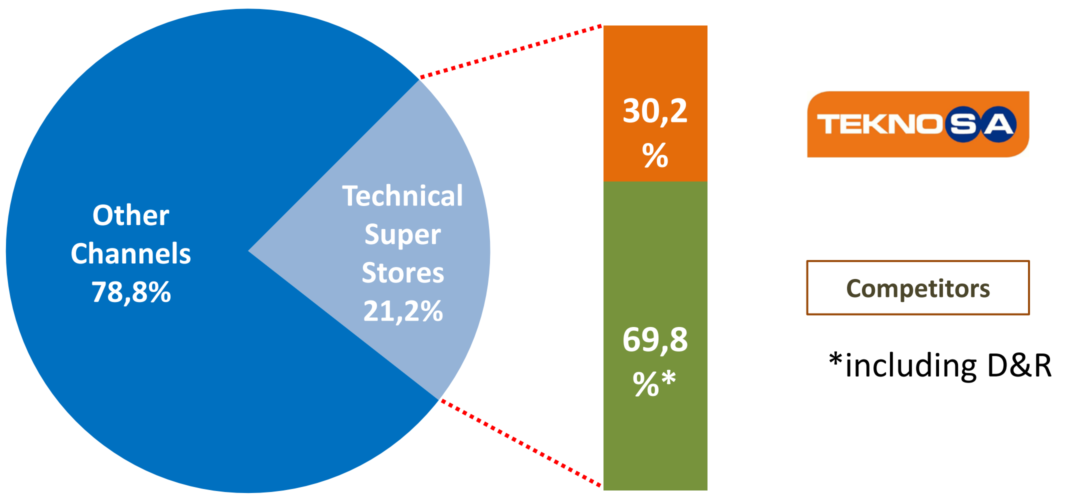


- **1,8 bps improvement in EBITDA margin due to revenue increase**

Electronics Retail Market and Teknosa

- The panelmarket grew by 2,2% YoY, reaching TL 41,3 bn in 8M19
- YoY growth in MDA(AC included) by 23,3% and SDA by 16,6%, YoY contraction in CE+Photo+MTG by 3,2%, Telecom by %9,7 and IT by 10,3%
- TSS channel accounts for 21,2%(including MDA)of the total market
- Teknosa has 30,2 % market share in the TSS channel in 8M19

Electronics Retail Market – 8M19



Source: GfK

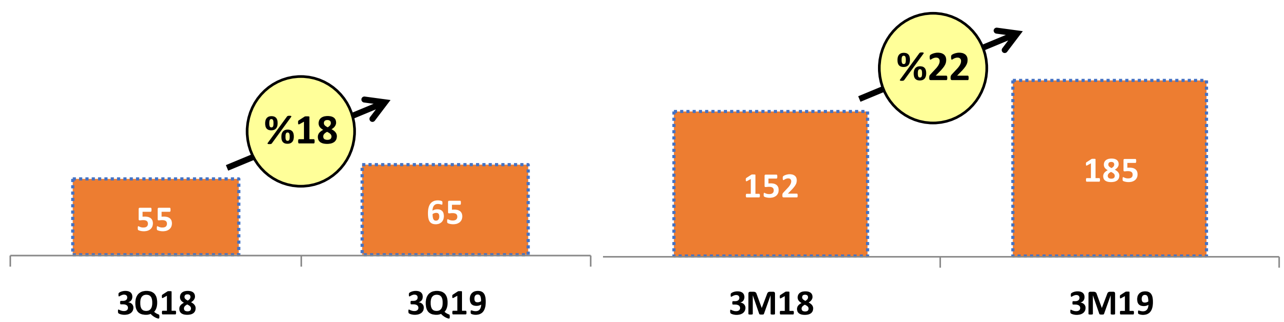
Income Statement Summary

(TL mn)	3Q18	2Q19	3Q19	YoY (%)	9M18	9M19	YoY (%)
Net Sales	**920**	**1.002**	**1.037**	**13%**	**2.617**	**2.880**	**10%**
Gross Profit	**179**	**178**	**184**	**3%**	**476**	**504**	**6%**
Gross Profit Margin	***19,5%***	***17,8%***	***17,8%***	**-1,7pp**	***18,2%***	***17,5%***	**-0,7pp**
EBITDAR	**108**	**92**	**100**	**-8%**	**260**	**252**	**-3%**
EBITDAR Margin	***11,8%***	***9,2%***	***9,6%***	**-2,2pp**	***9,9%***	***8,7%***	**-1,2pp**
EBITDA	**58**	**78**	**83**	**44%**	**120**	**207**	**73%**
EBITDA Margin	***6,3%***	***7,8%***	***8,0%***	**1,8pp**	***4,6%***	***7,2%***	**2,6pp**
Other Expenses	-16	-43	-33	-100%	-36	-109	-205%
Financial Expenses	-32	-52	-59	-84%	-67	-154	-131%
Profit Before Tax	**0**	**-53**	**-43**	**-15655%**	**-10**	**-162**	**-1534%**
Tax	0	11	8	3623%	0	32	15675%
Net Profit	**0**	**-42**	**-35**	**-75049%**	**-10**	**-129**	**-1183%**
Net Profit Margin	***0,0%***	***-4,2%***	***-3,4%***	**-3,4pp**	***-0,4%***	***-4,5%***	**-4,1pp**

Source: Independent Auditor's report

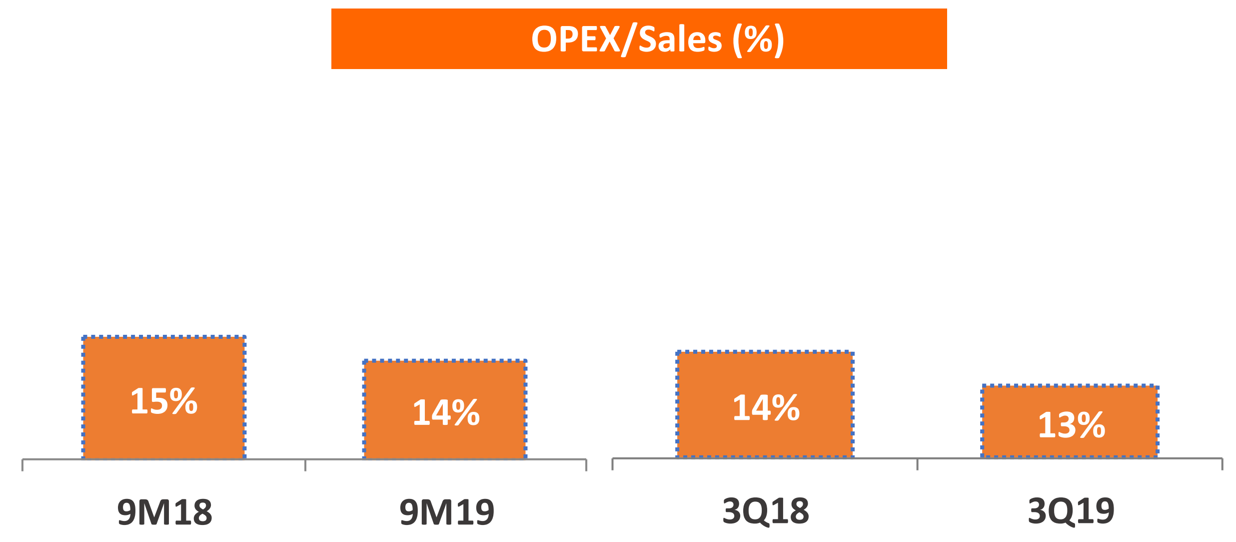
Growth trend in e-commerce revenues continues

teknosa.com Revenues (TLmn)



- Teknosa.com revenues increased by %18, and reached TL 65M in 3Q19.
- Teknosa.com revenues showed a growth trend with the help of high-level shopping experience for our customers in teknosa.com platform.

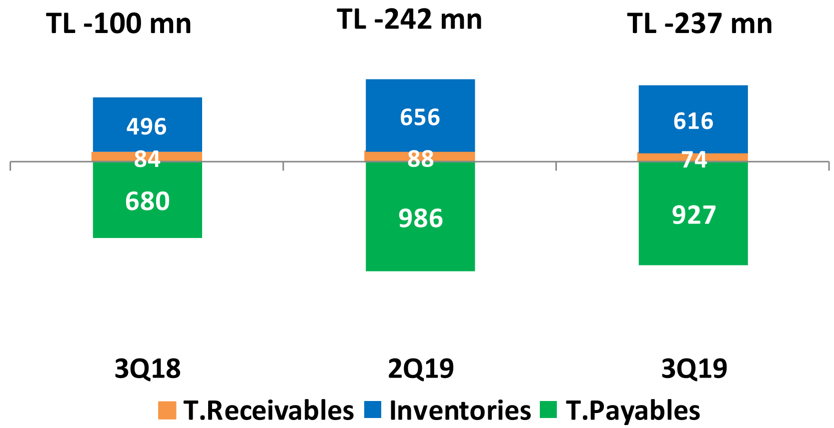
OPEX/Sales ratio



- Initiatives taken to exert downward pressure on operating expenses resulted in lower Opex/Sales ratio in 3Q19.
- Teknosa remains focused on effective management of operating expenses.

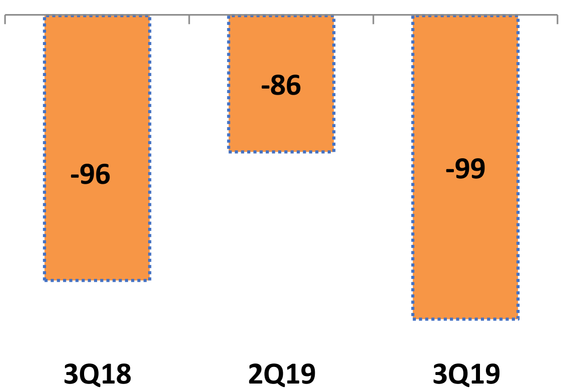
Working Capital and Cash Position

Working Capital Requirement (TL mn)



WCR increased by TL 137 M YoY as a result of an increase in trade payables.

Net Cash (TL mn)



Cash requirement was met by short term bank loans in 3Q19

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Balance Sheet Summary

Assets (in TL mn)	Sep-18	Jun-19	Sep-19
Current Assets	**656**	**817**	**719**
Cash and Cash Equivalents	38	50	22
Trade Receivables	84	88	74
Inventories	496	656	616
Other Current Assets	38	23	7
Non-current Assets	**175**	**552**	**535**
Investment Property	10	9	9
Property, Plant and Equipment	85	82	80
Intangible Assets	27	37	38
Deferred Income Tax Assets	52	66	74
Right of Use Assets	0	358	333
Other Non-current Assets	1	1	1
Total Assets	**831**	**1.369**	**1.254**

Liabilities (in TL mn)	Sep-18	Jun-19	Sep-19
Current Liabilities	**876**	**1.211**	**1.130**
Financial Liabilities	134	136	121
Current Portion of Long-Term Lease	0	33	17
Trade Payables	680	986	927
Other Current Liabilities	62	57	64
Non-current Liabilities	**8**	**356**	**357**
Total Equity	**-53**	**-198**	**-232**
Total Liabilities	**831**	**1.369**	**1.254**

Source: Independent Auditor's report

Agenda

Results at a Glance

Financial Overview

Year-end Guidance

2019 Full Year Financial Guidance

- Due to uncertainties in global and domestic markets, we prefer to share our 2019 guidance on a wide range
- Accordingly, we expect to see a high single digit or low double digit LfL growth for 2019
- We expect our revenue to be above the 2018 figures
- We expect to observe 3%-4% EBITDA margin(excluding IFRS 16, which was introduced in 2019)
- Based on customer focused Omnichannel strategy, we are planning to invest above TL 30 million.

Thank You

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